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GOVERNOR

STATE OF MICHIGAN  
**OFFICE OF FINANCIAL AND INSURANCE SERVICES**  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
DAVID C. HOLLISTER, DIRECTOR

LINDA A. WATTERS  
COMMISSIONER

**DATE:** August 3, 2004

**LETTER NO.:** 2004-CU-07

**TO:** The Board of Directors and Management of Michigan State-Chartered Credit Unions

**SUBJECT:** Required Reporting under the Michigan Credit Union Act of 2003

Under the provisions of the Michigan Credit Union Act, the Commissioner can require reporting on financial performance or specific regulatory concerns. The purpose of this letter is to notify the credit union industry of the legislative language, outline the standard reporting requirements and detail the enforcement of fines relevant to report delinquency.

The Commissioner may require reporting under sections 201(4) and 218(1) of the Act. Each section is detailed below, including a discussion of the type of reporting required, the language of the Act, reporting timeframes and the Commissioner's authority to assess fines for reports not filed when due.

### **Quarterly 5300 Report Filing**

Section 201(4) of the Michigan Credit Union Act states *"Each domestic credit union shall report its financial condition as required by the Commissioner. A domestic credit union that fails to file a report with the Commissioner when it is due shall pay a fee of \$100.00 for each day the report is delinquent. The Commissioner may waive the fee for cause. If a delinquency continues for 15 days, the Commissioner may revoke the domestic credit union's certificate of approval and take possession of the business and property of the domestic credit union and maintain possession until the commissioner permits it to continue business or involuntarily dissolves the credit union under section 331(3)."*

The Commissioner requires Michigan chartered credit unions to report their financial condition quarterly using the NCUA 5300 Call Report forms. The forms are mailed directly to the institution by the NCUA and are available on the NCUA internet site at [www.ncua.gov](http://www.ncua.gov) along with software to prepare the reports. The Office of Financial and Insurance Services (OFIS) does not mail these forms. It is the responsibility of each institution to obtain and file the appropriate form with OFIS each quarter. The 5300 forms must be received in the Credit Union Division by the due date noted in the schedule below.

March 31, call report due April 22;  
June 30, call report due July 22;  
September 30, call report due October 22, and  
December 31, call report due January 22.

If 5300 reports are not filed in a complete and timely manner, the \$100/day fine will be imposed. If reporting delinquency exceeds the 15 day timeframe **the Commissioner may revoke the domestic credit union's certificate of approval and take possession of the business and property of the domestic credit union** as provided in the Act.

OFIS encourages electronic filing of the 5300 call reports. If an electronic copy of the report is provided to OFIS, a hardcopy of the report is not necessary. Questions relating to call report filing should be directed to Stephen Nakfoor at (517) 373-6930.

### **Monthly Reporting on Regulatory Concerns**

Section 218(1) states *"The commissioner may require any report from a domestic credit union that in the commissioner's judgment is necessary to fully inform the commissioner about the condition of the domestic credit union."*

Specific institutions may be required to submit monthly reports to OFIS to appropriately monitor regulatory concerns applicable to that institution. These institutions will be notified by letter of the required reporting and the monthly deadline for submission.

Section 218(2) allows the Commissioner to assess an administrative fine against a domestic credit union that does not exceed \$1,000 for each day these reports are delinquent. The fine for this type of reporting is currently assessed at \$100/day by OFIS policy.

Submission of monthly reporting has been determined to fall within the authority of section 218(1). Credit unions notified of their monthly reporting responsibilities are required to meet the monthly deadline or face fines pursuant to section 218(2). Reports of this type must be postmarked by the submission date.

Questions regarding credit union reporting requirements should be directed to the Credit Union Division at 517-373-6930.

Sincerely,

Roger W. Little, Deputy Commissioner  
Credit Union Division